

Amendment No. 1 to HB0653

Winningham
Signature of Sponsor

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 611*

House Bill No. 653

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 49-4-914(a), is amended by deleting the last sentence of the subsection and by substituting instead the following sentences:

Subject to the amounts appropriated by the general assembly, and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery, a Tennessee HOPE scholarship awarded to a student attending an eligible four-year postsecondary institution shall be four thousand dollars (\$4,000) for full-time attendance for the 2007-2008 academic year. For academic years subsequent to the 2007-2008 academic year, the amount of such scholarship shall be determined in accordance with § 4-51-111 and shall be set in the general appropriations act.

SECTION 2. Tennessee Code Annotated, Section 49-4-914(b), is amended by deleting the last sentence of the subsection and by substituting instead the following sentences:

Subject to the amounts appropriated by the general assembly, and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery, a Tennessee HOPE scholarship awarded to a student attending an eligible two-year postsecondary institution shall be two thousand dollars (\$2,000) for full-time attendance for the 2007-2008 academic year. For academic years subsequent to the 2007-2008 academic year, the amount of such scholarship shall be determined in accordance with § 4-51-111 and shall be set in the general appropriations act.

SECTION 3. Tennessee Code Annotated, Section 49-4-921, is amended by

deleting the last sentence of subsection (f) and substituting instead the following sentences:

Subject to the amounts appropriated by the general assembly, and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery, a Wilder-Naifeh technical skills grant awarded under this section shall be two thousand dollars (\$2,000) for full-time attendance for the 2007-2008 academic year. For academic years subsequent to the 2007-2008 academic year, the amount of such scholarship shall be determined in accordance with § 4-5-111, and shall be set in the general appropriations act.

SECTION 4. Tennessee Code Annotated, Section 49-4-902, is amended by deleting subdivision (19) in its entirety and by substituting instead the following:

(19) "Grade point average" means the numbered grade average calculated using a 4.0 scale as reported by the high school;

SECTION 5. Tennessee Code Annotated, Section 49-4-902, is further amended by deleting subdivision (21) in its entirety and by substituting instead the following:

(21) "Junior" means a junior as determined under the institutional policy of the eligible postsecondary institution that the student is attending;

SECTION 6. Tennessee Code Annotated, Section 49-4-902, is further amended by deleting subdivision (22) in its entirety and substituting instead the following:

(22) "Nontraditional student" means a student who is at least twenty-one (21) years of age, who has not previously been a recipient of a Tennessee HOPE scholarship and who enrolls in an eligible postsecondary institution:

(A) As an entering freshman; or

(B) At least two (2) years after last attending any eligible postsecondary institution or a regionally accredited postsecondary institution located outside of Tennessee;

SECTION 7. Tennessee Code Annotated, Section 49-4-902, is further amended by adding the following as new, appropriately designated subdivisions:

() "Cost of attendance" means the combined cost of tuition, mandatory fees, room and board, books and other educational expenses as determined by the financial aid office of the eligible postsecondary institution;

() "Cumulative grade point average" means the cumulative grade point average reported to the corporation by the postsecondary institution at which the student last received the scholarship, as calculated by the institution to be consistent with the institution's policy;

() "Expected family contribution" or "EFC" means the amount that a student and the student's family are expected to contribute toward the cost of the student's education determined by applying the federal methodology to the information provided on the student's FAFSA;

() "Gift aid" means scholarships and grants from any source, including funds provided through the federal Foster Care Independence Act of 1999 and other similar programs. Student loans and work-study awards shall not be considered gift aid;

() "Partial Tennessee HOPE scholarship" or "partial HOPE scholarship" means a scholarship with the same nonacademic requirements as a Tennessee HOPE scholarship that is awarded to recipients of a Tennessee HOPE scholarship who fail to meet the academic requirements for continuation of a Tennessee HOPE scholarship, but who meet a lesser academic standard as specified in this part;

() "Senior" means a senior as determined under the institutional policy of the eligible postsecondary institution that the student is attending;

SECTION 8. Tennessee Code Annotated, Section 49-4-915(a)(2), is amended by deleting the language "thirty-six thousand dollars (\$36,000)" and substituting instead the language "forty-five thousand dollars (\$45,000)".

SECTION 9. Tennessee Code Annotated, Section 49-4-920(a), is amended by deleting subdivision (2) in its entirety and by substituting instead the following:

(2) Meet the requirements of §49-4-915(a)(2);

SECTION 10. Tennessee Code Annotated, Section 49-4-920(e), is amended by deleting all language in the last sentence of subdivision (1) after the language "for a Tennessee HOPE scholarship and," and by substituting instead the language "if the student meets the requirements of § 49-4-915(a)(2), an ASPIRE award."

SECTION 11. Tennessee Code Annotated, Section 49-4-920(e), is amended by deleting the last sentence of subdivision (2) and by substituting instead the following sentence:

If such student meets the requirements of § 49-4-915(a)(2) at the time at which such student achieves academic eligibility, the student shall be eligible for an ASPIRE award.

SECTION 12. Tennessee Code Annotated, Section 49-4-931(a), is amended by deleting subdivision (3) in its entirety and by substituting instead the following:

(3) Meet the requirements of § 49-4-915(a)(2);

SECTION 13. Tennessee Code Annotated, Section 49-4-906, is amended by deleting the section in its entirety and by substituting instead the following:

§ 49-4-906. Except for the ASPIRE award under § 49-4-915, the Tennessee HOPE access grants under § 49-4-920 and the Tennessee HOPE scholarship for nontraditional students under § 49-4-931, eligibility for scholarships or grants awarded under this part shall not be restricted or limited by the adjusted gross income attributable to the student or the EFC attributable to a student. Students applying for an ASPIRE award, a Tennessee HOPE access grant or a Tennessee HOPE scholarship for nontraditional students shall file a FAFSA with TSAC.

SECTION 14. Tennessee Code Annotated, Section 49-4-915(a), is amended by deleting subdivision (2) in its entirety and by substituting instead the following:

(2)

(A) Have an adjusted gross income attributable to the student that does not exceed forty-five thousand dollars (\$45,000); or

(B) Have an EFC attributable to the student that does not exceed the maximum EFC required for Pell grant eligibility.

SECTION 15. Tennessee Code Annotated, Section 49-4-915(c), is amended by deleting the subsection in its entirety and by substituting instead the following:

(c) The adjusted gross income attributable to the student and the EFC attributable to the student shall be reviewed each academic year to determine continuing eligibility for the ASPIRE award.

SECTION 16. Tennessee Code Annotated, Section 49-4-909(a)(5), is amended by deleting the language "for the total number of semester hours that the student has attempted at any postsecondary institution".

SECTION 17. Tennessee Code Annotated, Title 49, Chapter 4, Part 9, is amended by adding the following language as a new, appropriately designated section:

§ 49-4-9__.

(a) To be eligible for a partial Tennessee HOPE scholarship, a student shall:

(1) Have been a recipient of a Tennessee HOPE scholarship, Tennessee HOPE access grant or a Tennessee HOPE scholarship for nontraditional students;

(2) Continue to meet all nonacademic requirements applicable to such student for receipt of postsecondary financial assistance from net lottery proceeds; and

(3) Achieve a cumulative grade point average of at least 2.5, but less than 2.75, at the end of any academic year at which continuing academic eligibility is reviewed.

(b) Subject to the amounts appropriated by the general assembly and any provision of law relating to a shortfall in funds available for postsecondary assistance from net lottery proceeds, the award for a partial Tennessee HOPE scholarship shall be fifty percent (50%) of the award of the Tennessee HOPE scholarship that is applicable to recipients of Tennessee HOPE scholarships at the institution at which the recipient of the partial HOPE scholarship is enrolled and fifty percent (50%) of the ASPIRE award, if such student is eligible to receive the ASPIRE award.

SECTION 18. Tennessee Code Annotated, Section 49-4-911, is amended by deleting the section in its entirety and by substituting instead the following:

(a) To continue to receive a Tennessee HOPE scholarship, a student at an eligible postsecondary institution shall continue to meet all applicable requirements for the scholarship and shall reapply for the scholarship each academic year. At the end of each academic year, prior to the student receiving a baccalaureate degree or reaching the maximum number years for which a scholarship shall be funded under § 49-4-913, the student shall have achieved a cumulative grade point average of at least 2.75 to continue to receive the Tennessee HOPE scholarship.

(b) A student receiving a Tennessee HOPE scholarship who fails to achieve a cumulative grade point average of at least 2.75 at the end of any academic year in which eligibility is reviewed shall be eligible for a partial Tennessee HOPE scholarship, if the student achieves a cumulative grade point average of at least 2.5, but less than 2.75; provided, that the student meets all nonacademic requirements for the scholarship. If such student fails to achieve a cumulative grade point average of 2.5 or more, then such student shall be ineligible during the next academic year for a Tennessee HOPE scholarship or a partial Tennessee HOPE scholarship.

(c) A student, who fails to achieve a cumulative grade point average of at least 2.5 at the end of an academic year, and is, therefore, academically ineligible for both the Tennessee HOPE scholarship and the partial Tennessee HOPE scholarship, may regain the Tennessee HOPE scholarship or may receive or regain, as applicable, the partial Tennessee HOPE scholarship, if the student continues to meet all applicable nonacademic requirements for the scholarships, attends an eligible postsecondary institution without postsecondary financial assistance from net lottery proceeds, achieves a cumulative grade point average of at least 2.5 at the end of any semester, and reapplies for the scholarship. A student who achieves a cumulative grade point average of at least 2.5, but less than 2.75, at such time shall receive a partial HOPE scholarship. A student who achieves a cumulative grade point average of at least 2.75 at such time shall receive the Tennessee HOPE scholarship. A student who regains a scholarship and then loses postsecondary financial assistance from net lottery proceeds a second time, by failing to achieve a cumulative grade point average of at least 2.5 at the end of a subsequent academic year in which academic qualifications are reviewed, may not regain either scholarship. No retroactive award of a Tennessee HOPE scholarship or a partial Tennessee HOPE scholarship shall be made under this subsection (b) for any academic year in which a student was attempting to regain a scholarship.

(d) If a student ceases to be eligible for postsecondary financial assistance from net lottery proceeds at any time, for any reason other than failure to maintain the required cumulative grade point average, then the student shall not be able to regain a Tennessee HOPE scholarship or a partial Tennessee HOPE scholarship.

SECTION 19. Tennessee Code Annotated, Section 49-4-916(c), is amended by deleting the punctuation "." at the end of the subsection and by substituting instead the following language:

, except that a student who becomes academically eligible for only a partial Tennessee HOPE scholarship shall not be eligible for a General Assembly Merit Scholarship thereafter.

SECTION 20. Tennessee Code Annotated, Section 49-4-916(e), is amended by deleting the word "semester" in the first sentence of the subsection and by substituting instead the words "academic year".

SECTION 21. Tennessee Code Annotated, Section 49-4-920(b), is amended by deleting the first sentence of subdivision (1) and by substituting instead the following:

A Tennessee HOPE access grant shall be awarded to an eligible student only until the end of the semester in which the student has completed the first full-time equivalent academic year.

SECTION 22. Tennessee Code Annotated, Section 49-4-920(e), is amended by deleting the subsection in its entirety and by substituting instead the following:

(e)

(1) TSAC shall review a student's eligibility at the end of the first full-time equivalent year of enrollment. If a student receiving a Tennessee HOPE access grant has achieved a cumulative grade point average of at least 2.75 at the end of the first full-time equivalent year of enrollment, then the student shall be eligible for a Tennessee HOPE scholarship. If a student receiving a Tennessee HOPE access grant has achieved a cumulative grade point average of at least 2.5, but less than 2.75, at the end of the first full-time equivalent year of enrollment, then the student shall be eligible for a partial Tennessee HOPE scholarship. If the student meets the requirements of § 49-4-915(a)(2), the student shall be eligible for an ASPIRE award, as determined for the scholarship received.

(2) If a student receiving a Tennessee HOPE access grant does not achieve a cumulative grade point average of at least 2.5 at the end of the first full-time equivalent year of enrollment, but the student, without

financial assistance from lottery proceeds, continues to attend an eligible postsecondary institution and achieves the cumulative grade point average required under § 49-4-911 for either a Tennessee HOPE scholarship or a partial Tennessee HOPE scholarship, then the student shall be eligible for a Tennessee HOPE scholarship or a partial Tennessee HOPE scholarship, if the student meets all other applicable requirements. If, at such time, the student meets the requirements of § 49-4-915(a)(2), the student shall be eligible for an ASPIRE award, as determined for the scholarship received.

SECTION 23. Tennessee Code Annotated, Section 49-4-920(f), is amended by deleting subdivisions (1), (2) and (3) in their entirety and by substituting instead the following:

- (1) The student has earned a baccalaureate degree; or
- (2) The student has been enrolled at any postsecondary institution for five (5) full-time equivalent years.

SECTION 24. Tennessee Code Annotated, Section 49-4-929, is amended by deleting subsections (c), (d) and (e) in their entirety and by substituting instead the following:

(c) If the student transfers to an eligible postsecondary institution, then the student shall have a cumulative grade point average of at least 2.75 at the time of transfer to be eligible academically for the Tennessee HOPE scholarship. Such student shall not be eligible to receive a partial Tennessee HOPE scholarship at the time of transfer to an eligible postsecondary institution.

(d) To continue to receive a Tennessee HOPE scholarship or to receive a partial Tennessee HOPE scholarship, such student shall meet the requirements of § 49-4-911. A HOPE scholarship awarded under this section shall be subject to the provisions of § 49-4-913.

(e) A student who is eligible for a Tennessee HOPE scholarship under

this section, and who also meets the qualifications for a General Assembly Merit Scholar supplemental award, shall be eligible for such supplemental award. A student who meets the requirements of § 49-4-915(a)(2) shall be eligible for an ASPIRE award. Pursuant to § 49-4-917, a student may not receive both the ASPIRE award for need and the supplemental award as a General Assembly Merit scholar.

SECTION 25. Tennessee Code Annotated, Section 49-4-930, is amended by deleting subsection (c) in its entirety and by substituting instead the following:

(c) Semester hours attempted under a dual enrollment grant shall not count, under § 49-4-913, toward the limitation on the receipt of a Tennessee HOPE scholarship.

SECTION 26. Tennessee Code Annotated, Section 49-4-931(a), is amended by deleting subdivision (4) in its entirety and by substituting instead the following:

(4) Attend an eligible postsecondary institution and attempt at least twelve (12) semester hours;

SECTION 27. Tennessee Code Annotated, Section 49-4-931, is amended by deleting subsection (b) in its entirety and by substituting instead the following:

(b) A nontraditional student shall be eligible for a Tennessee HOPE scholarship at the end of the semester in which the student has attempted twelve (12) semester hours, if the student has a cumulative grade point average of at least 2.75. A nontraditional student who does not achieve a cumulative grade point average of at least 2.75 at the end of the semester in which the student has attempted twelve (12) semester hours shall be eligible for a Tennessee HOPE scholarship, if the student achieves a cumulative grade point average of at least 2.75 at the end of any subsequent academic year in which eligibility is reviewed under § 49-4-911.

SECTION 28. Tennessee Code Annotated, Section 49-4-913(a), is amended by deleting subdivisions (1), (2) and (3) in their entireties and by substituting instead the

following:

- (1) The student has earned a baccalaureate degree; or
- (2) The student has been enrolled at any postsecondary institution for five (5) full-time equivalent years.

SECTION 29. Tennessee Code Annotated, Section 49-4-913, is amended by deleting subsection (b) in its entirety.

SECTION 30. Tennessee Code Annotated, Section 49-4-919(a), is amended by deleting subdivisions (1), (2) and (3) in their entireties and by substituting instead the following:

- (1) The student has earned a baccalaureate degree; or
- (2) The student has been enrolled at any postsecondary institution for five (5) full-time equivalent years.

SECTION 31. Tennessee Code Annotated, Section 49-4-937(c), is amended by deleting the subsection in its entirety and by substituting instead the following:

(c) Enrollment at a Tennessee technology center by a student working towards a diploma before receiving a Tennessee HOPE scholarship, General Assembly Merit Scholarship, or Tennessee HOPE access grant under the provisions of this section shall not count under the provisions of § 49-4-913 or § 49-4-920 towards the limitation on receipt on a Tennessee HOPE scholarship, General Assembly Merit Scholarship, or Tennessee HOPE access grant.

SECTION 32. Tennessee Code Annotated, Section 49-4-912(b), is amended by deleting the subsection in its entirety and by substituting instead the following:

(b) Tennessee HOPE scholarship students may enroll as full-time students or part-time students at an eligible postsecondary institution. A student who enrolls as a full-time student at the beginning of a semester may drop to part-time status one (1) time; provided, that continuous enrollment is maintained in that semester. TSAC shall promulgate rules and regulations for attendance as a part-time student and payment of awards to part-time students. All such rules

and regulations shall be promulgated in accordance with the provisions of the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 33. Tennessee Code Annotated, Section 49-4-933, is amended by deleting subsection (f) in its entirety and substituting instead the following:

(f) The Tennessee HOPE foster child tuition grant shall be the cost of attendance less any gift aid, with the total HOPE foster child tuition grant amount not to exceed the cost of tuition and mandatory fees at the eligible postsecondary institution attended. Additionally, at an eligible independent postsecondary institution, the Tennessee HOPE foster child tuition grant shall not exceed the statewide average public tuition and mandatory fee rate for the type of institution (two-year or four-year) attended.

SECTION 34. Tennessee Code Annotated, Section 49-4-933, is further amended by deleting subsection (e) in its entirety:

SECTION 35. Sections 33 and 34 of this act that amend § 49-4-933 are declared to be remedial in nature and to that end shall apply to all Tennessee HOPE foster child tuition grant awards made on or after July 1, 2006.

SECTION 36. Tennessee Code Annotated, Section 49-4-934(a), is amended by deleting subdivision (1) and by substituting instead the following:

(1) Graduate from a high school in the foreign nation where the student's parent is a religious worker and, if the high school is:

(A) Accredited by a regional accrediting association, meet the academic eligibility requirements of § 49-4-907(3); or

(B) Not accredited by a regional accrediting association, meet the academic eligibility requirements of § 49-4-908(2)(A);

SECTION 37. A student may apply for the retroactive award of a Tennessee HOPE scholarship for any semester of the 2005-2006 or 2006-2007 academic years in which the student would have qualified for a scholarship under the provisions of Section 4 of Chapter 974 of the Public Acts of 2006 as amended by Section 36 of this act, had

the provisions of this act been in effect during those academic years. TSAC may award the scholarship retroactively for those academic years to any student who would have qualified for the scholarship had the provisions of this act been in effect.

SECTION 38. Tennessee Code Annotated, Section 49-4-930, is amended by adding the following language at the end of subsection (b):

A student may receive a dual enrollment grant for no more than six (6) courses.

Such courses shall be taken during the junior and senior years of high school.

Nontraditional

SECTION 39. Tennessee Code Annotated, Section 49-4-931(a), is further amended by deleting subdivision (6) and substituting instead the following:

(6) Maintain continuous enrollment at the eligible postsecondary institution attended after entering such institution as a nontraditional student; and

SECTION 40. Tennessee Code Annotated, Section 49-4-931, is further amended by deleting subsection (c) in its entirety and substituting instead the following sentence:

(c)

(1) To continue to receive a Tennessee HOPE scholarship or to receive a partial Tennessee HOPE scholarship, such student shall meet the requirements of § 49-4-911, except that only semester hours attempted as a nontraditional student shall be used in computing the cumulative grade point average to determine whether a student continues to be eligible to receive a scholarship.

(2) A HOPE scholarship awarded under this section shall be subject to the provisions of § 49-4-913, except that only enrollment as a nontraditional student shall be used in determining whether a student continues to be eligible to receive the scholarship.

SECTION 41. Tennessee Code Annotated, Section 49-4-936, is amended by deleting subsection (a) in its entirety and by substituting instead the following:

(a) To be eligible for a Tennessee HOPE teacher's scholarship, a teacher shall:

(1) Be a licensed Tennessee teacher teaching in a Tennessee public school system or a Tennessee private school;

(2) Not be ineligible for the scholarship under § 49-4-904;

(3) Meet the requirements of § 49-4-905(a). The provisions of § 49-4-905(b) shall not apply to teachers seeking Tennessee HOPE teacher's scholarships;

(4) Be admitted to and attend an eligible postsecondary institution seeking an advanced degree in mathematics or a science, or certification to teach mathematics or a science;

(5) Maintain satisfactory progress in the teacher's program of study;

(6)

(A) Agree to teach mathematics or a science in a Tennessee public school system two (2) academic years for each year of funding provided by a Tennessee HOPE teacher's scholarship. This subdivision (A) shall apply to licensed Tennessee teachers who qualify for the Tennessee HOPE teacher's scholarship as teachers in a Tennessee public school system and to licensed Tennessee teachers who qualify for the Tennessee HOPE teacher's scholarship as teachers in a Tennessee private school, but who agree to fulfill their teaching obligation in a Tennessee public school system; or

(B) Agree to teach mathematics or a science in a Tennessee private school two (2) academic years for each year of funding provided by a Tennessee HOPE teacher's scholarship and to participate as required by TSAC and the department of

education in a LEA assistance program. This subdivision (B) shall only apply to teachers who qualify for the Tennessee HOPE teacher's scholarship as licensed Tennessee teachers teaching in Tennessee private schools and who choose to fulfill their teaching obligation in a Tennessee private school.

(7) Sign a promissory note that stipulates the cash repayment obligation incurred if the required teaching or participation service is not fulfilled. If a teacher fails to teach mathematics or a science in a Tennessee school for the number of years required to fulfill the teacher's obligation or fails to complete the amount of participation service required to fulfill the teacher's obligation pursuant to the award of a Tennessee HOPE teacher's scholarship, then all funds obtained from the award of the scholarship shall be repaid; provided, however, that no repayment shall be due, if TSAC finds that it is impossible for the teacher to fulfill the teacher's obligation because of the death or permanent disability of the teacher; and

(8) Apply for a Tennessee HOPE teacher's scholarship.

SECTION 42. Tennessee Code Annotated, Section 49-4-936, is amended by inserting the following language as a new subsections (e) and (f) and by redesignating the subsequent subsection accordingly:

(e) As used in this section, unless the context otherwise requires, "private school" means a school as defined in § 49-6-3001(c)(3)(A)(i) and (iii).

(f)

(1) The department of education shall establish guidelines for LEA assistance programs that include the types of activities, such as tutoring of public school students, mentoring public school teachers and assisting in professional staff development in public schools, through which licensed private school teachers may satisfy the requirements of

subdivision (a)(6)(B). LEAs may establish assistance programs that conform to such guidelines. The department of education, with TSAC's approval, shall set the requirements for the length of time that such activities shall be performed in order for such teachers to fulfill their obligation to participate in LEA assistance programs.

(2) TSAC is authorized to promulgate rules and regulations to establish methods for documenting participation in LEA assistance programs and to otherwise effectuate the purposes of this section. All such rules and regulations shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5

SECTION 43. Tennessee Code Annotated, Title 49, Chapter 4, Part 9, is amended by adding the following language as a new, appropriately designated section:

§ 49-4-9__.

(a) Notwithstanding any other provision of this part to the contrary, a student who as an entering freshman meets all nonacademic requirements for a Tennessee HOPE scholarship, but the student does not meet the requirements of § 49-4-907(3) or § 49-4-908(2), as applicable to the method by which the student completed high school, shall be eligible for a Tennessee HOPE scholarship at the end of any academic year at which the student achieves a cumulative grade point average of at least 2.75 and the student meets all applicable general requirements for the scholarship.

(b) No retroactive award of a Tennessee HOPE scholarship shall be made under this section.

SECTION 44. Tennessee Code Annotated, Section 49-4-914, is amended by adding the following as a new, appropriately designated subsection:

() Subject to the amounts appropriated by the general assembly and any provision of law relating to a shortfall in funds available for postsecondary

financial assistance from the net proceeds of the state lottery, recipients of Tennessee HOPE scholarships who maintain a cumulative grade point average of at least 2.75 at the end of every semester shall receive a bonus award of five hundred dollars (\$500) after being classified as a junior. If, while classified as a junior or senior, such student continues to maintain a cumulative grade point average of at least 2.75 at the end of each semester, then the student shall continue to be eligible for the bonus award.

SECTION 45. Tennessee Code Annotated, Title 49, Chapter 4, Part 9, is amended by adding the following language as a new, appropriately designated section:

§ 49-4-9__.

(a) There is hereby created within the state treasury a fund to be known as the "Tennessee student assistance fund". Moneys shall be deposited into the Tennessee student assistance fund from the lottery for education account established in § 4-51-111. Amounts remaining in the fund at the end of each fiscal year shall not revert to the lottery for education account or the general fund but shall remain in the Tennessee student assistance fund. Moneys in the fund shall be invested by the state treasurer pursuant to title 9, chapter 4, part 6 for the sole benefit of the fund. All earnings attributable to such investments shall be credited to the Tennessee student assistance fund.

(b) On July 1 of each fiscal year, such funds as are appropriated in the general appropriations act shall be transferred from the lottery for education account to the Tennessee student assistance fund. Such transfer for fiscal year 2007-2008 shall not exceed two hundred ten million dollars (\$210,000,000). The principal amount of the Tennessee student assistance fund shall equal two hundred million dollars (\$200,000,000).

(c) In any year in which the fund balance exceeds the principal amount, TSAC may draw on moneys in the Tennessee student assistance fund in excess of the principal amount to increase the number of Tennessee student assistance awards granted under title 49, chapter 4, part 3. All such moneys so expended shall be used to supplement, not supplant, funds for Tennessee student assistance awards to enable citizens of this state to attend postsecondary educational institutions located within this state.

(d) If the net lottery proceeds deposited into the lottery for education account in any year, inclusive of the amount in the general shortfall reserve subaccount, are not sufficient to meet the amount appropriated for educational programs and purposes, the principal amount of the Tennessee student assistance fund may be used after the general shortfall reserve subaccount has been drawn down to meet the deficiency in accordance with §4-51-111; provided, however, that the principal amount of the fund shall be used first for any shortfall in the amount appropriated to the educational financial assistance programs established in this part and then to any other educational programs and purposes otherwise provided by law for which net lottery proceeds may be expended. If it becomes necessary to draw from the principal amount of the Tennessee student assistance fund, then such programs and purposes shall be reviewed and funding reduced as provided in §4-51-111. In the event the principal amount of the Tennessee student assistance fund is drawn upon in any fiscal year, the fund shall be brought back to the principal amount of two hundred million dollars (\$200,000,000) in subsequent fiscal years by transferring ten percent (10%) of net lottery proceeds from the Tennessee education lottery corporation's quarterly deposit to the lottery for education account to the

Tennessee student assistance fund until the principal amount of the fund equals two hundred million dollars (\$200,000,000).

SECTION 46. The provisions of this act shall not be construed to be an appropriation of funds and no funds shall be obligated or expended pursuant to this act unless such funds are specifically appropriated by the general appropriations act.

SECTION 47. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 48. Sections 8 through 12 of this act shall take effect upon becoming law, the public welfare requiring it, and shall apply to students seeking postsecondary financial assistance from net lottery proceeds for the 2007-2008 academic year.

Sections 13 through 15 of this act shall take effect July 1, 2008, the public welfare requiring it, and shall apply to students seeking postsecondary financial assistance from net lottery proceeds for the 2008-2009 academic year and academic years thereafter.

Sections 16 through 32 and Sections 39, 40, 43 and 44 of this act shall take effect July 1, 2007, the public welfare requiring it, and shall apply to students seeking postsecondary financial assistance from net lottery proceeds for the 2007-2008 academic year and academic years thereafter. All remaining sections of this act shall take effect upon becoming law, the public welfare requiring it.